

107TH CONGRESS
1ST SESSION

H. R. 678

To amend the Internal Revenue Code of 1986 to increase the amount of the student loan interest deduction and to allow more taxpayers to claim that deduction.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2001

Mrs. MCCARTHY of New York (for herself, Mr. DICKS, Mr. SERRANO, Mr. GEORGE MILLER of California, Mr. KILDEE, Ms. BROWN of Florida, Mr. BALDACCI, Mr. GILMAN, Mr. BROWN of Ohio, Mrs. CHRISTENSEN, Mr. FROST, Mr. CAPUANO, Mrs. JONES of Ohio, Mr. PAUL, Mr. OWENS, Mr. ENGEL, Mr. EVANS, Mr. WAXMAN, and Ms. WOOLSEY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount of the student loan interest deduction and to allow more taxpayers to claim that deduction.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Student Loan Relief
5 Act of 2001”.

1 **SEC. 2. ELIMINATION OF 60-MONTH LIMIT ON STUDENT**
2 **LOAN INTEREST DEDUCTION.**

3 (a) IN GENERAL.—Section 221 of the Internal Rev-
4 enue Code of 1986 (relating to interest on education
5 loans) is amended by striking subsection (d) and by redes-
6 ignating subsections (e), (f), and (g) as subsections (d),
7 (e), and (f), respectively.

8 (b) CONFORMING AMENDMENT.—Section 6050S(e)
9 of such Code is amended by striking “section 221(e)(1)”
10 and inserting “section 221(d)(1)”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2000.

14 **SEC. 3. INCREASE IN MAXIMUM DEDUCTION FOR INTEREST**
15 **ON STUDENT LOANS.**

16 (a) IN GENERAL.—Paragraph (1) of section 221(b)
17 of the Internal Revenue Code of 1986 (relating to max-
18 imum deduction) is amended to read as follows:

19 “(1) IN GENERAL.—Except as provided in para-
20 graph (2), the deduction allowed by subsection (a)
21 for the taxable year shall not exceed \$5,000.”

22 (b) EFFECTIVE DATE.—The amendment made by
23 subsection (a) shall apply to taxable years beginning after
24 December 31, 2000.

1 **SEC. 4. INCREASE IN INCOME LIMITATION ON STUDENT**
 2 **LOAN INTEREST DEDUCTION.**

3 (a) IN GENERAL.—Section 221(b)(2)(B) of the Inter-
 4 nal Revenue Code of 1986 (relating to amount of reduc-
 5 tion) is amended by striking clauses (i) and (ii) and insert-
 6 ing the following:

7 “(i) the excess of—

8 “(I) the taxpayer’s modified ad-
 9 justed gross income for such taxable
 10 year, over

11 “(II) \$100,000 (\$150,000 in the
 12 case of a joint return), bears to

13 “(ii) \$40,000.”.

14 (b) CONFORMING AMENDMENT.—Section 221(f)(1)
 15 of such Code, as redesignated by section 2, is amended—

16 (1) by striking “\$40,000 and \$60,000
 17 amounts” and inserting “\$100,000 and \$150,000
 18 amounts”,

19 (2) by striking “2002” and inserting “2005”,
 20 and

21 (3) by striking “2001” and inserting “2004”.

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to taxable years ending after De-
 24 cember 31, 2000.

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